

Fact Sheet-Federal Energy Regulatory Commission

- The Federal Energy Regulatory Commission, or FERC, is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil.
- Currently, there are three Commissioners- Chairman Joseph T. Kelliher, Nora M. Brownell, and Suedeem Kelly. All commissioners are nominated by the President and confirmed by the US Senate. They serve for 5 year terms.
- FERC employs approximately 1,200 people with headquarters in Washington DC. There are five regional offices in San Francisco, Portland (OR), Chicago, Atlanta, and New York that deal primarily with hydroelectric dam safety and environmental issues.
- FERC has annual budget of \$210 million in FY 2005 to regulate the energy industry. FERC recovers all of its costs from regulated industries through fees and annual charges.
- FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing non-federal hydropower projects.
- The Energy Policy Act of 2005 gave FERC additional responsibilities as outlined in FERC's [top priorities](#) and updated [Strategic Plan](#). As part of that responsibility, FERC:
 - Regulates the transmission and sale of natural gas for resale in interstate commerce;
 - Regulates the transmission of oil by pipeline in interstate commerce;
 - Regulates the transmission and wholesale sales of electricity in interstate commerce;
 - Licenses and inspects private, municipal, and state hydroelectric projects;
 - Approves the siting of and abandonment of interstate natural gas facilities, including pipelines, storage and liquefied natural gas;
 - Ensures the reliability of high voltage interstate transmission system;

As of September 29, 2005

Fact Sheet-Federal Energy Regulatory Commission

- Monitors and investigates energy markets;
- Uses civil penalties and other means against energy organizations and individuals who violate FERC rules in the energy markets;
- Oversees environmental matters related to natural gas and hydroelectricity projects and major electricity policy initiatives; and
- Administers accounting and financial reporting regulations and conduct of regulated companies.

What FERC Does Not Do

(Note: most of the links below are to external websites and you will be leaving FERC's site)

Many areas outside of FERC's jurisdictional responsibility are dealt with by [State Public Utility Commissions](#). Areas considered outside of FERC's responsibility include:

- Regulation of retail electricity and natural gas sales to consumers;
- Approval for the physical construction of electric generation, transmission, or distribution facilities;
- Regulation of activities of the municipal power systems, federal power marketing agencies like the [Tennessee Valley Authority](#), and most rural electric cooperatives;
- Regulation of nuclear power plants by the [Nuclear Regulatory Commission](#);
- Issuance of State Water Quality Certificates;
- Oversight for the construction of oil pipelines;
- Abandonment of service as related to oil facilities;
- Mergers and acquisitions as related to oil companies;
- Responsibility for [pipeline safety](#) or for pipeline transportation on or across the Outer Continental Shelf;

Fact Sheet-Federal Energy Regulatory Commission

- Regulation of local distribution pipelines of natural gas; and the
- Development and operation of natural gas vehicles.